BEST COPY
AVAILABLE

MONTANA LEGISLATIVE HISTORY

Chapter N/A 19 87

Bill H _____ S 155 Original bill & history ✓ C

H. Committee on _____			S. Committee on Taxation		
Hearing Date(s)	_____	___C	Hearing Date(s)	1-29	✓ C
	_____	___C		2-2	✓ C
	_____	___C		_____	___C
	_____	___C		_____	___C
Date Out	_____	___C			

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

Senate BILL NO. 155

INTRODUCED BY Keating Reddy

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING TO THE GENERAL FUND THE REMAINDER OF THE COAL SEVERANCE TAX AFTER THE ALLOCATIONS TO THE PERMANENT TRUST AND TO THE HIGHWAY RECONSTRUCTION TRUST FUND; AMENDING SECTIONS 15-35-108, 22-2-301, 22-2-304, 22-2-321, 23-1-108, 76-15-530, 90-3-101, 90-4-103, AND 90-6-202, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1986, and ending June 30, 1987, 6% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund. Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) ~~Coal~~ To the credit of the general fund:

(a) all coal severance tax collections remaining after the allocations provided by subsections (1) and (2) ~~are allocated--in--the--following--percentages--of-the-remaining balance:~~

~~(a)--2-1/2%-until-July-1,-1987,-and--thereafter--4-1/2% to--the--state--special--revenue--fund--to-the-credit-of-the alternative-energy-research--development--and--demonstration account;~~

~~(b) 6%--until--July-1,-1987,-and-thereafter-37-1/2%-to the-state-special-revenue-fund-to-the-credit--of--the--local impact-and-education-trust-fund-account;~~ all income from the nonexpendable trust fund created by subsection (3)(f) of this section as it read on June 30, 1987; and

~~(c) 30%-until-July-1,-1987,-and-thereafter-10%-to--the state--special--revenue--fund--for-state-equalization-aid-to public-schools-of-the-state;~~

~~(d)--1%-to-the-state-special-revenue-fund-to-the-credit of-the-county-land-planning-account;~~

~~(e)--1-1/4%-to-the-credit--of--the--renewable--resource development-bond-fund;~~

~~(f)--starting--July--1,-1986,-and-ending-June-30,-1989,~~

Montana Legislative Council

LC 0754/01

INTRODUCED BILL
SB-155

~~5%-to-the-general-fund,-and-after-June-30,--1989,--5%--to--a nonexpendable---trust---fund---for---the--purpose--of--parks acquisition-or-management,-protection-of-works-of-art-in-the state-capitol,-and-other-cultural--and--aesthetic--projects.- Income--from--this--trust--fund--shall--be--appropriated--as follows:~~

~~(i)--1/3-for-protection-of-works-of-art--in--the--state capitol-and-other-cultural-and-aesthetic-projects;-and~~

~~(ii)-2/3--for--the-acquisition,-development,-operation, and--maintenance--of--any--sites--and--areas--described---in 23-1-102;~~

~~(g)--1%-to-the-state-special-revenue-fund-to-the-credit of---the--state--library--commission--for--the--purposes--of providing-basic-library-services-for-the--residents--of--all counties--through-library-federations-and-for-payment-of-the costs-of-participating-in-regional-and-national--networking;~~

~~(h)--1/2--of--1%--to-the-state-special-revenue-fund-for conservation-districts;~~

~~(i)--1-1/4%-to-the-debt-service-fund-type-to-the-credit of-the-water-development-debt-service-fund;~~

~~(j)--4%--until---July---1,---1987,---to---the---highway reconstruction--trust--fund--account--in--the--state-special revenue-fund;~~

~~(k)~~ all other revenues from severance taxes collected under the provisions of this chapter ~~to-the-credit-of-the~~

~~general-fund-of-the-state.~~"

Section 2. Section 22-2-301, MCA, is amended to read:

"22-2-301. Cultural and aesthetic projects grants. (1) Any person, association, or representative of a governing unit seeking a grant for a cultural or aesthetic project ~~from--the-income-of-the-trust-fund-created-in-15-35-108~~ must submit a grant proposal to the cultural and aesthetic projects advisory committee, in care of the Montana historical society, by September 1 of the year preceding the convening of a regular legislative session.

(2) Grant proposals must be for the purpose of protecting works of art in the state capitol or other cultural and aesthetic projects."

Section 3. Section 22-2-304, MCA, is amended to read:

"22-2-304. Cultural and aesthetic project appropriations -- administration. (1) The legislature must appropriate funds ~~from-the-income-of-the-trust-fund-created in-15-35-108(3)(f)~~ before any grant for a cultural or aesthetic project is awarded.

(2) Costs incurred by the Montana arts council for accounting, correspondence, project visits, and solicitation of proposals related to cultural and aesthetic project grants and the costs of the advisory committee established in 2-15-1521 shall be paid from ~~appropriations--from--the income---of---the--trust--fund~~ funds appropriated by the

legislature.

(3) Grant proposals are heard by a legislative appropriations subcommittee.

(4) Grant proposals approved by the legislature are administered by the Montana arts council."

Section 4. Section 22-2-321, MCA, is amended to read:

"22-2-321. Reversion of granted funds. At the end of a grant period, any unexpended balance of the grant shall revert to the ~~cultural--and--aesthetic--projects--account provided-for-in-15-35-108~~ general fund."

Section 5. Section 23-1-108, MCA, is amended to read:

"23-1-108. Acquisition of certain state parks, monuments, or historical sites. (1) Any person, association, or representative of a governing unit may submit a proposal for the acquisition of a site or area described in 23-1-102 ~~from--the--income--of-the-trust-fund-created-in-15-35-108~~ to the department of fish, wildlife, and parks by July 1 of the year preceding the convening of a legislative session.

(2) The fish and game commission shall present to the legislature by the 15th day of any legislative session a list of areas, sites, or objects that were proposed for purchase for use as state parks, state recreational areas, state monuments, or state historical sites with the money contained in the parks account.

(3) The legislature must appropriate funds from this

account before any park, area, monument, or site may be purchased."

Section 6. Section 76-15-530, MCA, is amended to read:

"76-15-530. Conservation district account -- administration. (1) There is a conservation district account in the state special revenue fund of the state treasury. ~~Money--is--paid-into-this-account-under-15-35-108.~~ The state treasurer shall draw warrants payable from this account on order from the department of natural resources and conservation.

(2) The department of natural resources and conservation shall administer the conservation district account. The money shall be distributed from the account to the conservation districts on the basis of need. A conservation district may submit an application to the department of natural resources and conservation for a grant of funds for purposes that conservation districts are authorized to perform.

(3) A conservation district is not eligible to receive a grant unless it has exhausted its authorized mill levies.

(4) The department of natural resources and conservation may adopt rules implementing this section that provide for the form and content of applications and the criteria, terms, and conditions for making grants."

Section 7. Section 90-3-101, MCA, is amended to read:

"90-3-101. Purpose. (1) It is the purpose of this chapter to strengthen and diversify Montana's economy by establishing a public-private sector partnership to encourage scientific and technological development within the state in order to keep pace with a transforming economic structure and to create new jobs and expand small business opportunities.

(2) Because the alternative energy and energy conservation research development and demonstration program, administered by the department of natural resources and conservation, ~~which--presently--receives-4-1/2%-of-the-coal severance--taxes--allocated--pursuant--to--15-35-108,~~ would overlap and supplement the program created by this chapter and because the alternative energy and energy conservation research development and demonstration account has a carryover from the 1985 biennium and the department of natural resources and conservation is not presently planning to utilize the entire allocated amount it will receive during the 1987 biennium, this chapter contemplates a temporary, one-time appropriation of a portion of the allocation to the alternative energy and energy conservation research development and demonstration account for funding the science and technology research program of the Montana science and technology development board created in this chapter. The use of funds appropriated from the alternative

energy and energy conservation research development and demonstration account established by 90-4-103 for the purposes of this chapter for the 1987 biennium is specifically authorized."

Section 8. Section 90-4-103, MCA, is amended to read:

"90-4-103. Alternative energy and energy conservation research development and demonstration account established -- allocation of funds. (1) There is within the state special revenue fund an alternative energy and energy conservation research development and demonstration account. ~~Moneys-are-paid-into-this-account-under-15-35-108.~~ The state treasurer shall draw warrants payable from this account upon order of the department.

(2) Each fiscal year the department shall allocate the funds appropriated from the alternative energy and energy conservation research development and demonstration account for the following:

(a) grants under 90-4-104 and 90-4-106;

(b) loans under 90-4-104 and 90-4-106;

(c) grants to state governmental units under 90-4-109;

(d) program administration; and

(e) matching federal energy programs and petroleum violation escrow account money if consistent with the purposes of this chapter.

(3) To assure that the program offers the greatest

possible benefits during the fiscal year, the department may reallocate funds among the categories specified in this section based on the availability of funds or the applications it receives and the department's evaluation of the relative merits of each project."

Section 9. Section 90-6-202, MCA, is amended to read:

"90-6-202. Accounts established. (1) There is within the state special revenue fund a local impact and education trust fund account. ~~Moneys are payable into this account under 15-35-108.~~ The state treasurer shall draw warrants from this account upon order of the coal board.

(2) There is within the state special revenue fund a coal area highway improvement account."

NEW SECTION. Section 10. Effective date. This act is effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB155, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act allocating to the general fund the remainder of the coal severance tax after the allocations to the permanent trust and to the highway reconstruction trust fund; providing an effective date.

ASSUMPTIONS:
1. Allocations are based on the Revenue Estimating Advisory Council's coal severance tax estimates of $78,663,000 in FY88 and $81,856,000 in FY89.

2. State general fund revenues are increased $17.046 million in FY88, and $17.738 million in FY89; allocations to other current law coal severance tax accounts are reduced by like amounts.

FISCAL IMPACT:

	FY88			FY89		
Fund	Revenue Under Current Law	Revenue Under Proposed Law	Difference	Revenue Under Current Law	Revenue Under Proposed Law	Difference
Coal Tax Trust Fund	$39,331,500	$39,331,500	$ 0	$40,928,000	$40,928,000	$ 0
Alternative Energy	1,345,137	0	(1,345,137)	1,399,738	0	(1,399,738)
Local Impact	5,231,090	0	(5,231,090)	5,443,424	0	(5,443,424)
Education Trust	5,978,388	0	(5,978,388)	6,221,056	0	(6,221,056)
School Equalization	2,989,194	0	(2,989,194)	3,110,528	0	(3,110,528)
County Land Planning	298,919	0	(298,919)	311,053	0	(311,053)
Renewable Resource	377,582	0	(377,582)	392,909	0	(392,909)
Parks Acquis. and Maint.	0	0	0	0	0	0
State Library Commission	298,919	0	(298,919)	311,053	0	(311,053)
State General Fund	12,845,668	29,891,940	17,046,272	13,367,085	31,105,280	17,738,195
Water Development	377,582	0	(377,582)	392,809	0	(392,809)
Conservation Districts	149,460	0	(149,460)	155,526	0	(155,526)
Highway Fund	9,439,560	9,439,560	0	9,822,720	9,822,720	0
Total	$78,663,000	$78,663,000	$ 0	$81,856,000	$81,856,000	$ 0

David L. Hunter DATE 1/21/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Thomas Keating DATE 1-22-87
THOMAS KEATING, PRIMARY SPONSOR

Fiscal Note for SB155, as introduced.

SB-155

Expenditures:
Programs that would be eliminated are: Local Impact (Coal Board), County Land Planning, Science and Technology Alliance, Renewable Resource Development, Water Development Grant Program, as well as the Water Development General Obligation Loan Program. Funding sources for project work undertaken by conservation districts would be eliminated. State and local library programs would be impaired by the loss of funding. Also, since future deposits to the Education Trust Account would be eliminated, less interest earnings would be deposited to the Foundation Program, Board of Regents, Adult Basic Education Program and the Vocational Technical Centers.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:
Local impact assistance would be reduced by $5 million a year.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:
The proposal would not provide revenues to meet the commitment to the Yellowstone County Jail Project in FY88. The proposed legislation may impair the contract with the owners of Water Development and Renewable Resource Development Boards.

CHAPTER NUMBER 103 EFFECTIVE DATE: 3/16/87

SB 154 INTRODUCED BY KEATING, HOFMAN, S., SIMON, ET AL.
REPEAL REQUIREMENTS CONCERNING CABOOSE AS REAR TRAIN CAR

1/20	INTRODUCED		
1/20	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
2/03	HEARING		
2/11	COMMITTEE REPORT--BILL PASSED		
2/14	2ND READING PASSED	25	24
2/17	3RD READING FAILED	25	25
2/17	RECONSIDERED ACTION ON 3RD READING	26	24
2/18	3RD READING FAILED	24	26

SB 155 INTRODUCED BY KEATING, REHBERG
ALLOCATING TO THE GENERAL FUND COAL TAX LEFT AFTER TRUST HIGHWAY DEPOSITS

1/20	INTRODUCED		
1/20	REFERRED TO TAXATION		
1/21	FISCAL NOTE REQUESTED		
1/23	FISCAL NOTE RECEIVED		
1/29	HEARING		
2/04	ADVERSE COMMITTEE REPORT ADOPTED	35	12

SB 156 INTRODUCED BY MANNING, STIMATZ, PAVLOVICH, ET AL.
ALLOW LOCAL GOVERNMENT TO LICENSE SPORTS POOL; UP LIMITS TO $5 PER CHANCE, $500 PER POOL

1/20	INTRODUCED		
1/20	REFERRED TO BUSINESS & INDUSTRY		
1/21	FISCAL NOTE REQUESTED		
1/24	FISCAL NOTE RECEIVED		
1/27	HEARING		
1/28	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/31	2ND READING PASS MOTION FAILED	15	33
1/31	2ND READING INDEFINITELY POSTPONED	35	13

SB 157 INTRODUCED BY MANNING, DRISCOLL
WORKERS' COMPENSATION PLAN NO. 2 REQUIRES EMPLOYER TO GIVE 20 DAYS NOTICE PRIOR TO CANCELLING POLICY BY REQUEST OF DIVISION OF WORKERS' COMPENSATION

1/20	INTRODUCED		
1/20	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
1/29	HEARING		
1/31	ADVERSE COMMITTEE REPORT ADOPTED	46	2

SB 158 INTRODUCED BY MANNING, NISBET, WALKER
LESSEE OPTION TO PURCHASE STATE CABIN SITE LEASE

1/20	INTRODUCED		
1/20	REFERRED TO LOCAL GOVERNMENT		
1/21	FISCAL NOTE REQUESTED		
1/23	FISCAL NOTE RECEIVED		
1/27	HEARING		
2/03	ADVERSE COMMITTEE REPORT ADOPTED	40	9

SB 159 INTRODUCED BY BOYLAN, GALT, HOFFMAN, R., ET AL.
REDEFINING "SURFACE WATER" FOR THE DETERMINATION OF RECREATIONAL ACCESS

1/20	INTRODUCED		

CHAIRMAN--SEN. GEORGE MCCALLUM
NORMAL SCHEDULE==> SITE: ROOM 413/415 DAYS: MON THRU FRI TIME: 8:00 A.M.

SECRETARY-AGGIE HAMILTON

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0074	1/09	2/14		DO PASS		2/14
MAZUREK, JOSEPH P.			EXEMPT FROM TAX OTHER STATE'S PUBLIC PENSION; UP EXEMPTION PRIVATE PENSIONS			
SB0087	1/12	1/16		TABLED 3/6		
GAGE, DELWYN			LICENSE FEE FOR LIGHT VEHICLE 8 YEARS OR OLDER REMAINS THE SAME AMOUNT			
SB0089	1/12	1/16		ADVERSE REPORT		1/28
KEATING, THOMAS F.			REDUCING THE RESOURCE INDEMNITY TRUST TAX RATE FROM 0.5% TO 0.1%			
SB0090	1/13	1/16		TABLED 3/6		
HAMMOND, H.W. (SWEDE)			PROVIDE TAX BENEFITS TO SINGLE FAMILY RES. PROP. AND OTHER IMPROVEMENTS			
SB0122	1/16	1/23		PASS AS AMENDED		1/23
CRIPPEN, BRUCE D.			PROCEDURE FOR APPEAL TO STATE TAX APPEAL BOARD -- ALLOW HEARING OFFICER			
SB0129	1/17	1/23		DO PASS		1/23
MANNING, RICHARD E.			CLARIFY VETERANS' CLUBHOUSE TAX-EXEMPT STATUS -- UNAFFECTED BY BAR			
SB0145	1/20	1/28		DO PASS		1/28
JACOBSON, JUDY H.			CLARIFYING INTEREST AND PENALTY FOR DELINQUENT TAXES ON MOBILE HOMES			
SB0146	1/20	1/28		PASS AS AMENDED		1/28
JACOBSON, JUDY H.			DEPT OF COMMERCE TO COORDINATE COLLECTION OF REVENUE FOR STATE BY COUNTIES			
SB0147	1/20	1/28		PASS AS AMENDED		1/28
JACOBSON, JUDY H.			CHANGE MANNER COUNTY REMITS MOTOR VEHICLE CERTIFICATE FEE & INHERITANCE TAX			
SB0150	1/20	1/29		DO PASS		2/7
BOYLAN, PAUL F.			PUBLICATION OF REALTY TRANSFER ACT SALES RATIO STUDY			
SB0155	1/20	1/29		ADVERSE REPORT		2/2
KEATING, THOMAS F.			ALLOCATING TO THE GENERAL FUND COAL TAX LEFT AFTER TRUST HIGHWAY DEPOSITS			

Senator Eck asked if the information was in place to do what this bill wants.

Randy Wilke, Department of Revenue, said we have the commercial sales information on computer but we do not have all residential information on the computer file.

Dan Bucks said that is the reason for the data processing costs that are associated with putting the residence data into computerized format and processing that data into the counties format that is needed.

Senator Boylan closed.

Senator Severson made a motion to adopt the Statement of Intent furnished for the bill. The motion carried. See attached Exhibit 3 for Statement of Intent.

CONSIDERATION OF SB 155: Senator Keating, Senate District 44, presented this bill to the committee. He furnished the committee with a chart entitled "Coal Severance Tax and Interest Distribution", which is attached as Exhibit 4. He said this bill deals with the statutory appropriation of the portion of the coal tax that is available each year for current spending. The chart shows the various accounts and the percentages of the appropriation of the funds. The red lines show the intent of this proposal which is to close those accounts and redirect all of the funds to the general fund for legislative appropriation. The only two funds that are not affected by this bill are the Constitutional Trust Fund and the Highway Construction Fund. He said it is prudent that the legislature review all the revenues that are available for spending, including earmarked funds, to make sure that the taxpayers' dollars are being put to the best use through statutory appropriation.

PROPONENTS: James D. Mockler, Executive Director, Montana Coal Council, gave testimony in support of this bill. He said we have no particular bone to pick with anyone who receives money from the coal tax but we are opposed to the earmarking. He thinks they should participate in the legislative process and be treated equally with everyone else needing money for funding.

Bob Stockton, Office of Public Instruction, gave testimony in support of this bill. He said the legislature already appropriates money. All this will mean as far as financing the schools, is that the legislature would have to increase the legislative appropriation from the General Fund.

OPPONENTS: Hershal Robbins, representing Oil, Gas and Coal Counties Association, gave testimony in opposition to this bill. This bill would take away from counties something that they have been getting and he feels in most cases doing a good job with. He would suggest that the legislators check with their county officials and other people and see what they have to say about taking funds away from county government.

Dale Tash, representing Beaverhead Chamber of Commerce, gave testimony in opposition to this bill. In talking with outfitters in his area, he believes that in the last legislative session the coal tax money was taken out and given to the parks for maintenance. In Bannack State Park, 85% of its budget is from coal tax. His concern is that if this bill passes they will have to close their parks. The outfitters feel if this bill passes they will increase the hunting and fishing license fees to compensate.

David Nelson, representing the Montana Arts Council, gave testimony in opposition to this bill. His written testimony is attached as Exhibit 5.

Janet Ellis, representing the Audubon Legislative Fund, gave testimony in opposition to this bill. A copy of her statement is attached as Exhibit 6.

Jeanne Klobnak, representing the Montana Wildlife Federation, gave testimony in opposition to this bill. Her written statement is attached as Exhibit 7.

Carolyn Ennis, representing the Cultural and Aesthetic Advisory Committee, gave testimony in opposition to this bill. She said we make our recommendations to the Long Range Planning Board and the Board reviews those suggestions before the bill reaches the floor for consideration. Of the funds expended, our community has come up with cash and in-kind funds of nearly $5 million compared to $1.2 million by the state.

Debi Brammer, representing the Montana Association of Conservation Districts, gave testimony in opposition to this bill. A copy of her written testimony is attached as Exhibit 8.

Larry Weinberg, Montana University System, gave testimony in opposition to this bill. He said the legislature is very capable of going to the statutes that provide for

earmarking and changing those statutes if the legislature feels that is necessary to divert the flow of money. The present structure sends a message out that Montana is committed to the future and not just the present.

David Bishop, Montana Association of Planners, gave testimony in opposition to this bill. He said if this bill is passed it will cost County Planning Departments approximately $400,000 per year. Depending upon the size of the county, this can represent anywhere from 25% to 90% of the funds to operate the planning office. Federal funding for local planning has all but been eliminated.

Brenda Schye, representing the Montana Cultural Advocacy, gave testimony in opposition to this bill. A copy of her written testimony is attached as Exhibit 9.

Bob Anderson, Executive Director, Montana School Board Association, gave testimony in opposition to this bill. They feel this bill would be detrimental to elementary and high school district funding.

Caralee Cheney, Department of Natural Resources, gave testimony in opposition to this bill. There are earmarked coal tax funds going to the renewable resource program and water development program. The state does have a legal obligation to back the bonds that have been sold and the state would have to replace these funds with funds of approximate or equivalent value from another source.

Deborah Schlesinger, Montana Library Association, gave testimony in opposition to this bill. The coal severance tax money that the libraries receive represents the only state commitments to libraries.

QUESTIONS FROM THE COMMITTEE: Senator Hager said he is confused about the money going into the parks. He asked Senator Keating to explain.

Senator Keating said he was unaware that there were funds appropriated to Park Acquisition Cultural Projects Trust until after 1991.

Mike Walsh from the Budget Office, said the interest income from that fund was not noted on the fiscal note. Each year $1.7 million would revert back to the General Fund.

Senator Keating closed.

ADJOURNMENT: The hearing adjourned at 10:05 A.M.

George McCallum

SENATOR GEORGE McCALLUM, Chairman

ah

DATE 1-27-87

COMMITTEE ON Senate Taxation

VISITORS' REGISTER SB22, 150, 155

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppo
[illegible]	[illegible]	SB55		X
[illegible]	[illegible]	[illegible]		X
[illegible]	[illegible]	[illegible]		X
DICK BOURKE	DAV. CORP. OF MT.	SB 22	X	
[illegible]	[illegible]	[illegible]		X
[illegible]	[illegible]	[illegible]		
[illegible]	MT. [illegible]	[illegible]	X	
[illegible]	AFT			
DEBORAH SCHLESINGER	MT. LIBRARY ASSOC	SB155		X
[illegible]	AISDA	SB155		X
Dave Nelson	Montana Info Council	155		
Tom Thomas	Great Falls Capital Corp	SB 22	X	
Janet Ellis	MT Audubon	155		X
ESTHER STENBERG	MWF	155		X
Jeanne Klobnak	"	"		X
Jim Brown	WPRC			X
Warren L. Robinson	Great Falls Capital Corp	SB22	X	
[illegible]	MT. ASSOC. OF PLANNERS	155		X
Dennis Burr	MONTAFX	150	✓	
[illegible]	OPI	155	Neut	
Larry Weinberg	MT. UNIV. SYSTEM	155		X
EARL W. JOHNSON	FIRST BANK HELENA	SB22	X	
Harold Robbins	Mid Rail Coop	SB-155		X
[illegible]	Great Falls Gas Co		X	
Sam Hubbard	Sci & Tech Alliance	SB 22	X	
[illegible]	Bureau of Mines Inc	SB 150	✓	
JIM MICKELSON	MT. Coal Council	SB 155	X	

(Please leave prepared statement)

DATE 1-29-87

COMMITTEE ON Senate Taxation

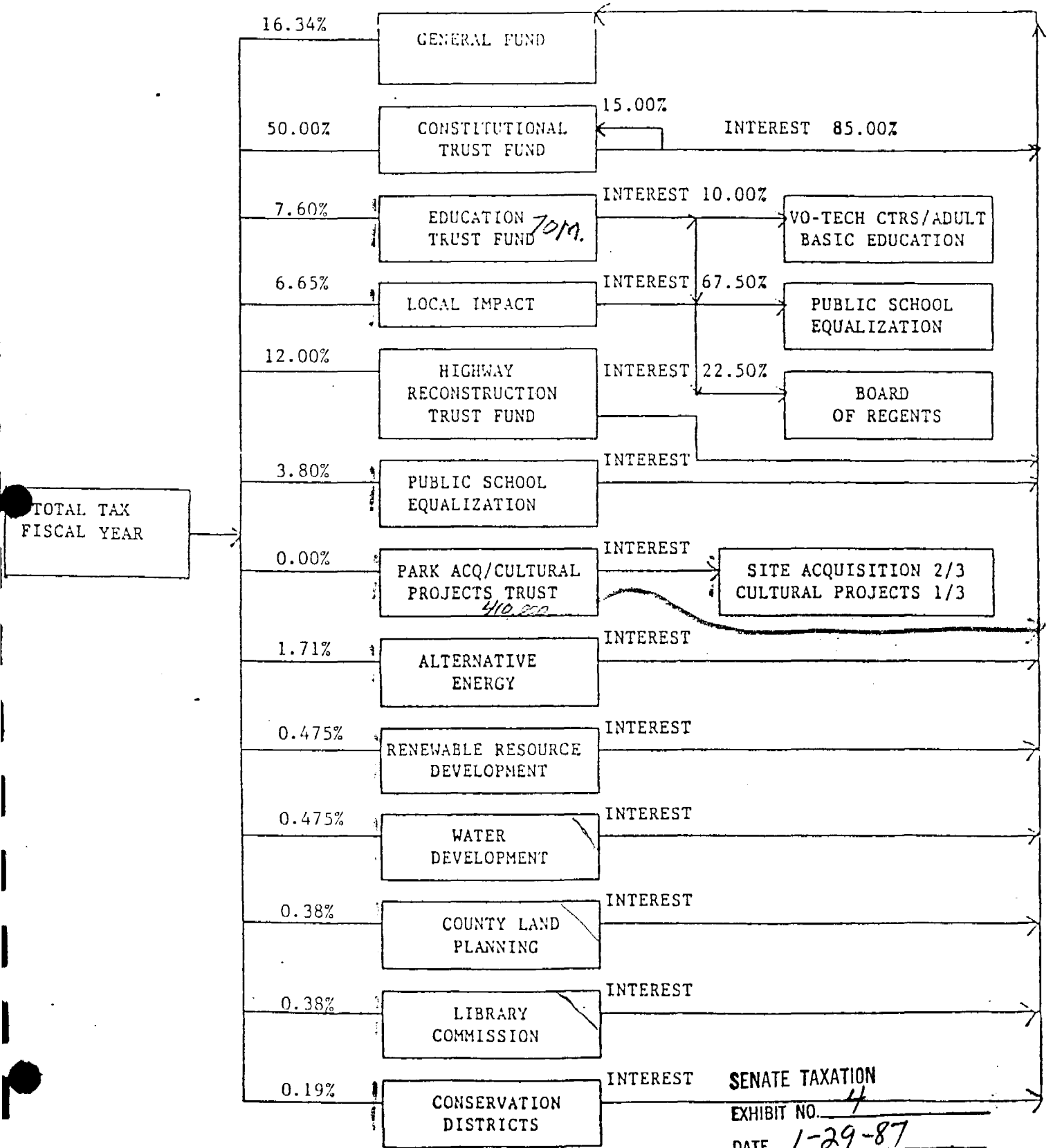
VISITORS' REGISTER SB22, 150, 155

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Dale Tash	Bud county Chamber	S 155		X
Bob Pancich	MEDS	522	X	
Kay Foster	Billings City	S155		X
Jim Tillotson	City of Billings	S155		X

(Please leave prepared statement with Secretary)

COAL SEVERANCE TAX AND INTEREST DISTRIBUTION

Fiscal Years 1988 and 1989



SENATE TAXATION
EXHIBIT NO. 4
DATE 1-29-87
BILL NO. SB-155

Chairman McCallum and Members of the Committee:

For the record, my name is David Nelson and I am Executive Director of the Montana Arts Council, the agency with legislative responsibility for administering grants from the Cultural Trust. I speak in opposition to HB #155. Beginning early in this session, in the hearing room of the Long Range Planning Committee, we were visited by an astounding array of constituents from your communities who are the backbone of the cultural life of this state. There was an outstanding array of individuals who demonstrated a positive, "can do optimism" who are accomplishing remarkable things in their communities. We heard of the birth of the Alberta Bair Theatre for the Performing Arts in Billings, the saving of the Moss Mansion, the exciting permanent collection of the Yellowstone Art Center, the Great Falls based Montana Chorale and their summer residencies in Whitefish, the staggering growth of the Museum of the Rockies, the hard working and innovative group from the Beall Park Art Center, the dynamic programs of the Custer County Arts Center, and the impressive educational outreach programs of the Hockaday Center for the Performing Arts. The group of volunteers who are saving the seat of our pioneer culture--the St. Mary's Mission in Stevensville, and the heroic effort to save the Daley Mansion in Hamilton. The exciting activities

SENATE TAXATION
EXHIBIT NO. 5
DATE 1-29-87
BILL NO. SB-155

in Missoula took up almost two days of hearings alone--the Mendelssohn Club who are bringing hundreds of European voices for a Festival in July of 1987-- the Young Audiences group who bring music and dance to thousands of school children; the Endowment building programs of the Missoula Museum for the Arts and the Missoula Symphony; the Montana Repertory Theatre producing a play by a Montana Native American author; and the Missoula Children's Theatre--a national phenomenon producing childrens' theatre in 16 states with an annual budget exceeding $500,000, playing in 50 communities in Montana, with particular focus on the smaller communities such as Chester, Fort Benton, and Plains. They were all brought together with the belief that with a small amount of money from the Cultural Trust they would weather these tough economic times, move into the state's Centennial era, making major contributions to our economic well being. They believed that the Cultural Trust was a dependable source of assistance particularly during economic downturn. The term "trust" is not taken lightly by these individuals. They are not aware that a simple majority vote can raid this trust while the other trust requires a significant 3/4 majority vote. They will simply not believe it if they are told they will be able to get their support from the general fund. History has told them better. In one biennium there has been more money available from

SENATE TAXATION
EXHIBIT NO. 5
DATE 1-29-87
BILL NO. SB-155

the Cultural Trust to meet the commitment of Article IV, Section 4, of the Montana Constitution which obligates the Legislature to preserve and stimulate our cultural resources. ~~Then~~ in 20 years of funding the Montana Arts Council from the general fund, let me say that again--in 20 YEARS THE GENERAL FUND PROVIDED $1.2M which is less than last biennium's interest from the cultural trust--. I can think of no more bizarre event than to eliminate this trust income on the eve of our state's Centennial.

These funds are appropriated by the legislature with a hearing for each

SENATE TAXATION
EXHIBIT NO. 5
DATE 1-29-87
BILL NO. SB-155

Testimony on SB 155
January 29, 1987

Mr. Chairman and Members of the Committee,

My name is Janet Ellis and I'm here today representing the Montana Audubon Legislative Fund. The Audubon Fund represents 2500 members of the National Audubon Society located in nine chapters throughout the state.

The Audubon Fund opposes SB 155. We are particularly concerned about how this bill treats Montana's parks - and I will restrict our testimony to this one aspect of the bill.

SB 155 effectively destroys our state park system. It will close Lewis & Clark Caverns, Bannock, and all of the other parks in the state. It does this by taking all of the coal trust money allocated for operating and maintaining our parks and puts that money into the general fund.

The fiscal note for SB 155 says that the park's program is untouched - but the fiscal note is wrong. I checked with the Budget Office yesterday, and they agree with me. Let me explain. On the fiscal note, it reads:

"Revenue under current law = 0
Revenue under proposed law = 0"

Those figures are wrong because the bill, on page 2, lines 15 to 17, takes all of the interest from the Parks and Cultural Coal Tax Trust. Trust interest earnings for the Parks' share of this account is estimated to be 1.15 ± million/year for the coming biennium. This money is being budgeted solely for ongoing operations. No money will be available for acquisition of new sites or park improvements.

A decade ago, coal trust money was set aside for park acquisitions. At that time maintenance and operation of state parks was funded out of the general fund. In recent years as general fund money has been harder to find, the coal tax began funding more and more of the operations of parks. The 1986 Special Legislative Session took all general fund money from parks and capped its coal tax. The passage of SB 155 will take all of the coal tax interest used for the operation of all Montana's state parks. This list includes monuments and recreation areas such as Spring Meadow Lake in Helena and Lake Elmo in Billings.

It could be argued that state parks could go back and ask for general fund money to operate. I suggest to you that that propect is probably close to impossible. Coal Tax money was intended for future generations. A state park system is a natural and perfect use of these funds - something present and future generations can enjoy. We urge that you vote for a "do not pass" on SB 155.

SENATE TAXATION
EXHIBIT NO. 6
DATE 1-29-87

The following list of state parks will be closed with the passage of SB 155:

--Wild Horse Island State Park - Flathead Lake
--Lone Pine State Park - southwest of Kalispell
--Lost Creek State Park - north of Anaconda
--Anaconda Stack State Monument - Anaconda
--Blackfoot River Recreational Waterway - west of Missoula
--Bannack State Park - west of Dillon
--Lewis and Clark Caverns State Park - west of Bozeman
--Missouri Headwaters State Park - east of Three Forks
--Mount Haggin State Recreation Area - south of Anaconda
--Giant Springs State Park - Great Falls
--Missouri River boat sites between Fort Benton and Fort Peck
--Smith River Recreational Waterway - south of Great Falls
--Missouri River Recreation Road - south of Cascade
--Chief Plenty Coups Memorial State Monument - south of Billings
--Pictograph Caves State Monument - south of Billings
--Lake Elmo State Recreation Area - Billings
--Makoshika State Park - Glendive
--Medicine Rocks State Park - north of Ekalaka
--Spring Meadow Lake State Recreation Area - Helena

EDUCATION - CONSERVATION

Montana Wildlife Federation

AFFILIATE OF NATIONAL WILDLIFE FEDERATION

P.O. Box 9017
Helena, MT 59601
(406) 443-4549

P.O. Box 3526
Bozeman, MT 59715
(406) 587-1713

Testimony on SB 155

Senate Taxation Committee

January 29, 1987

Mr. Chairman, honorable members, my name is Jeanne Klobnak. I stand before you today on behalf of the Montana Wildlife Federation in opposition to SB 155.

The Montana Wildlife Federation is a conservation organization dedicated to promoting wildlife, wildlife habitat, and sportsmen's interests. Its 4,600 membership comprises members within 17 affiliated sportsmen's clubs statewide, and individual associate members.

As Montana strives to diversify its economy, it is important that we recognise the impact of the tourism industry. Residents and non-residents take advantage of Montana's state parks, and in doing so provide an economic stimulus to local communities with parks in their area.

SB 155 would effectively necessitate the closure of all state parks.

In the past, state parks were funded from general fund dollars and a % of the coal tax. In 1985, after gradual cutbacks of park funding from the general fund, parks were only appropriated coal tax dollars for maintenance and operation. During the 1986 special session, parks were excluded from receiving any general funds. The remaining % of the coal tax trust fund is all that is left to fund state parks.

Closure of state parks in Montana means a decrease in quality of living standards for Montana residents, and a decrease in tourism dollars for local communities near such parks. As we encourage economic diversity, we encourage tourism, and therefore must continue to support our fine state parks.

MWF would urge that this committee do not pass SB 155. Thank you.

SENATE TAXATION
EXHIBIT NO. 7
DATE 1-29-87
BILL NO. SB-155

MONTANA ASSOCIATION OF CONSERVATION DISTRICTS

Testimony

SB 155

Mr. Chairman, members of the committee, for the record, my name is Debi Brammer. I am the Executive Vice President of the Montana Association of Conservation Districts.

Our association is in opposition to Senate Bill 155.

The State of Montana has 59 conservation districts covering all of the land area except for a portion of Prairie County. Since districts do cover the state, they have a vast amount of responsibility in dealing with soil and water conservation concerns.

At the present time, conservation districts receive 1/2 of 1 percent of the coal tax to be used for district projects. These funds were approved by the 1981 legislature. A total of 129 projects have been completed to date. These coal tax funds are essential for districts to address soil and water conservation needs within their areas.

We strongly urge you to vote against SB 155.

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87
BILL NO. SB-155

The Conservation District

The State of Montana contains 59 conservation districts (CDs) which were organized and have operated since 1937 under the State Conservation Districts Act (76-15-101 et seq., MCA). Each CD was established by a vote of the people and are legal subdivisions of state government, responsible under state law for conservation work within their boundaries.

Operated and controlled by the people in the district, the conservation district provides a tool for the local development and initiation of programs to promote natural resource conservation. The district cooperates with state and federal agencies, as well as with groups and individuals concerned with resource conservation and development.

Conservation districts are governed by boards of supervisors, five of whom are elected at the general election, and two additional supervisors who may be appointed by the mayor and city council of the city or town where all or portions of those cities and towns are within the boundaries of the district.

Purposes

The purposes of a conservation district include developing and carrying out long range work plans and programs that will result in the conservation and improvement of the state's natural resources, to provide assistance in the planning and applicaiton of conservation practices, and to encourage maximum participation of the general public and all local public and private agencies to fulfill these purposes. In doing this, districts make

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87
BILL NO. SB-155

available to individuals, technical assistance in planning and supervision in the installation of land use systems, vegetative practices, and necessary engineering structures, as well as a host of other practices. Along with this, districts carry out a variety of broad range community programs where widespread resource problems often require group action for their solution.

Montana's conservation districts are directly involved in many projects and programs that benefit the state and it's people. CDs represent about 14,500 cooperators totaling 43,500,000 acres of farm and ranch land. Approximately 8,000 cooperators are assisted yearly which takes in roughly 20 million acres. To date, 59 cities and towns have voted to be included within a CD. Conservation districts in urban and developing areas provide soil surveys, water inventories, assistance with waste disposal, urban planning and zoning assistance, and other services to builders, contractors, planning commissions, municipal officials, schools, hospitals, industries, and small landowners. Last year over 400 units of state and local government received assistance form conservation districts.

Funding

Montana is one of the few states where district supervisors have the authority, through county commisisoners, to levy taxes. This tax, by law, does not exceed 1.5 mills on all real property within the district. Special projects can be paid for by an assessment not to exceed 3 mills on all real property within the specified project area. A petition, signed by at least 1/2 of

the voters within the area, and an election are required to create a special project area.

In addition to the county funds, the 1981 Montana Legislature, through House Bill 223, appropriated 1/2 of 1 percent of the state's coal severance tax to be available to districts, for projects, on the basis of need. Only those districts which levy their full 1.5 mills are eligible to receive these funds.

Additional state funding is available to the conservation districts through the Renewable Resource Development Program and the Water Development Program.

Normally, the only federal funds available to conservation districts is for special projects. Funding for these projects is provided by various agencies including the Soil Conservation Service, the Environmental Protection Agency, and the Agricultural Stabilization and Conservation Service.

State and Federal Assistance

Rather than establishing independent technical staffs themselves, districts rely on personnel and facilities of several federal and state agencies for trained manpower. Chief among the cooperating agencies is the Soil Conservation Service (SCS) of the U.S. Department of Agriculture. The SCS is the only agency that receives federal funds earmarked by congress for direct technical assistance to conservation districts. Other federal assistance is provided by the Agricultural Stabilizaiton and Conservation Service through cost-sharing programs and the Farmers Home Administration through conservation loan programs.

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87
SB-155

At the state level, the districts keep close contact with the Conservation Districts Division of the Department of Natural Resources and Conservation (DNRC), primarily on operational and administrative matters. The districts are also often involved with a host of statewide and local organizations and committees that deal with a wide variety of natural resource concerns.

Districts retain local direction and control over their programs through written memorandums of understanding with cooperating agencies which spell out working relationships and how each partner will function. Because many agencies of government are concerned with natural resource protection and development, the conseral with a wide variety of natural resource conring their cooperation to carry out projects that the individual would find difficult or impossible to accomplish without such aid.

Services

To receive district assistance, a landowner, organization, or agency simply requests it. Those who apply usually have resource problems such as flooding, erosion, poor drainage, lack of water supply, sediment damage, under-developed educational programs or poor water quality. When the district supervisors approve an application for assistance they assign a professional conservationist to assist the cooperator. The districts direct technical, financial and educational assistance programs to critical areas and problems through the work plans they develop.

Besides these responsibilities, other conservation district projects and concerns include offstream storage, soil surveys, watershed projects, Resource Conservation and Development projects, water quality assessments and inventories, Rangeland Resource Program involvement, streambank protection (SB310), youth camps, range tours, agricultural land preservation, city-county planning, water reservations, coordinated ranch planning, mining impacts on renewable resources, soil surveys and information, wildernesss studies and weed control.

Due to the high demand for their services, districts must establish priorities in approving assistance. These are based on the severity of the problem, the extent of conservation work required, evidence of public and individual interest, and efficiency of operations.

Conservation District -Working for You

As Montanans, rural and urban alike, have become increasingly aware of natural resource needs and problems, they have turned to conservation districts, a group with an appreciation for local people and their problems. The capbilities of districts for services have far exceeded even the most optimistic expectations. In each part of the state, demands for district services tend to crowd the capacity to fulfill them.

Montana's conservation districts are successful because they meet a fundamental need. They coordinate work on a complex problem involving many people, organizations, government agencies, and kinds of knowledge, and, they produce important, tangible benefits.

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87
BILL NO. SB-155

The wide range of district activities has only been touched upon here. There are many others. For example, districts often make available to their cooperators specialized equipment such as tree planters, no-till grass drills, and other machines not readily available. Districts conduct range and conservation tours and camps, sponsor speech contests, and advocate incorporating conservation education throughout Montana's schools as a means of encouraging our young people to become involved. Districts sponsor teacher education programs on resource management and they work with industry, youth groups and church organizations.

Districts provide community improvement and economic development benefits including a stabilized base for agriculture, improved water supplies and water quality, new recreational opportunities, greater freedom from flood damage, better opportunities for rural youth to remain on the land, and, perhaps most importantly, help to assure a continuing supply of high quality food.

"If we are to survive," the Department of Agriculture said in a recent report, "we must look to the land - its' soil, water, plant, and animal life - with renewed interest and develop a will to support a comprehensive program of environmental management."

Increased future demands upon our natural resources will require significant changes in the manner in which these resources are managed. The loss of prime farmland to urban and industrial uses must be reduced. The break-up of rangeland for conversion to less than marginal cropland has to cease. New

cropping and tillage techniques that reduce soil losses, production costs, and fuel consumption will have to be implemented. Competent decisions must be made to ensure the proper and wise management of our natural resources.

Montana's conservation districts will help im making these decisions. They are fundamental to the course of our state's destiny in the years ahead. With "Conservation, Development, and Self-Government" as their watch-words, the CDs are confident that our environmental heritage can be protected and enhanced.

For more information on conservation districts and what they can do for you, contact your local district.

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87
BILL NO. SB-155

JANUARY 1987 HB 223 PROGRAM ACTIVITY LISTED BY PROJECT

SENATE TAXATION EXHIBIT NO. 8 DATE 1-29-87 BILL NO. SB 155

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
002 - Saline Seep				
187	Big Sandy	2,500	2,500	For Triangle
170	Daniels/McCone/Richland/Valley	22,400	22,400	NE MT saline seep assn
295	Dawson County	7,500		Sewage Lagoon Saline Seep Stdy
217	*Glacier County	1,229	*	
215	*Judith Basin County	1,229	*	
208	Stillwater	4,545	4,545	EM 38 Purchase
223	Stillwater	17,927	17,927	Saline Seep Demo Proj
216	*Toole County	1,229	*	
151	Triangle	40,000	29,500	Triangle Saline Seep Prog
		$98,559	$76,872	
003 - Weed Control, Weed Fairs, etc.				
136	Bitterroot	2,800	1,000	Weed Fair
121	Carter County CD	16,000	10,000	Leafy Spurge Control
265	Fergus County	3,000	3,000	Weed Fair
106	Garfield County	30,000	0	Weed control/Chem & equip
146	Garfield County	8,000	0	Weed control/chem & equip
197	Jefferson Valley	8,165	8,165	Coord. weed control demo
143	Lewis & Clark County	2,290	1,500	Knapweed control - educ.
174	Lewis & Clark County	4,000	0	Knapweed control research
219	Lewis & Clark County	900	900	Knapweed awareness
226	Lewis & Clark County	3,500	3,500	War of Weeds project
247	Lewis & Clark County	7,520	0	Sheep vs knapweed
298	Lewis & Clark County	1,726		Spray Calibration Program
198	Liberty County	16,775	15,800	Swift dam/Birch cr weed cntl
142	Lincoln	2,290	1,500	Knapweed control - educ
237	Madison County	2,500	0	Sprayer for weed control
236	Meagher County	12,750	0	Co. weed inventory
256	Meagher County	400	0	Weed calendar
132	Petroleum	2,750	2,750	Weed control & fire equip
244	Petroleum	5,000	0	Herbicides
213	Roosevelt County	3,500	2,000	Weed fair 85
137	Ruby Valley	5,000	0	Alder Glch weed cntl/chem&sal
212	Ruby Valley	1,224	1,224	SW MT weed control proj
166	Stillwater	2,290	1,500	Weed fair
282	Sweet Grass County	1,127	0	Weed map development
225	Teton County	7,214	7,214	Up. Teton knapweed pilot prg
280	Teton County	2,000	0	Landowner weed control coop
185	Toole County	4,055	1,500	Weed fair
		$156,776	$61,553	
004 - Streambank Stabilization and Management				
224	Beaverhead CD	2,000	2,000	310 inspections
110	Bitterroot CD	147,445	0	Sweeny Cr. riprap
207	Carbon County	20,000	10,000	Willow Cr corridor mgt
207a	Carbon County	5,000	0	Willow Cr corridor mgt
169	Cascade/Teton/L&C	2,500	2,000	Sun River Inventory
140	Fergus County	25,606	0	Lwr Spring Cr stabilization
193	Flathead	3,250	2,000	Trumbull Cr. vegetation remvl

001 - Conservation Tillage, No-till drills, drills, seeders, promotion programs, etc.

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
254	Beaverhead	29,800	0	Haybuster
254a	Beaverhead	15,000	15,000	Accel. NT Pgm (Haybuster 1000)
152	Broadwater	150	150	Cyclone seeder/seed
255	Carter County	17,500	17,000	Lilliston 9680
167	Cascade County	3,500	3,500	J.D. 8000
257	Cascade County	2,500	2,500	Brillion grass seeder
259	Custer County	17,369	17,000	Lilliston 9680
183	Daniels County	12,000	5,000	Haybuster 8000
191	Daniels County	7,000	7,000	Haybuster 8000
263	Daniels County	10,000	0	J.D. 251 Power Till Grass Sdr
263a	Daniels County	10,000	0	J.D. 251 Power Till Grass Sdr
263b	Daniels County	10,000	0	J.D. 251 Power Till Grass Sdr
229	Dawson County	11,352	11,352	Lilliston 9680
181	Deer Lodge Valley	13,100	12,000	Lilliston 9680
285	Eastern Sanders	13,450	13,450	Lilliston 9680
270	Garfield County	25,315	0	Haybuster 8000
270a	Garfield County	19,265	10,000	Haybuster 8000
290	Green Mountain	13,500		Lilliston 9670 & Trailer
251	Hill County	11,500	11,500	Haybuster 8000
240	Jefferson Valley	16,300	16,300	Lilliston 9680
286	Judith Basin	9,000	9,000	J.D. 8000 End Wheel Grass Sdr
220	Lewis & Clark County	18,750	14,750	Amozone
173	Liberty County	16,390	9,000	J.D. 9350
243	Little Beaver	18,300	18,300	Haybuster 8000
268	Little Beaver	8,911	0	J.D. Grass Drill
291	Little Beaver	8,911		J.D. Grass Drill 8000
175	Lower Musselshell	11,350	11,350	Haybuster 2408
138	McCone County	10,000	9,000	Haybuster 2408
203	McCone County	4,500	0	Tech for drill
250	McCone County	6,900	0	Cons. Till. Demo.
250a	McCone County	6,900	0	Cons. Till. Demo
250b	McCone County	6,900	0	Cons. Till. Demo
250c	McCone County	6,900	0	Cons. Till. Demo
272	McCone County	22,000	0	J.D. 8300 Grass Drills
271	Meagher County	15,500	0	Lilliston 9680
271a	Meagher County	15,500	15,500	Lilliston 9680
119	Prairie County	12,000	9,000	J.D. Power Till Seeder
275	Prairie County	18,500	0	Haybuster 107
288	Prairie County	1,050	1,000	Conservation Tillage Bulletin
276	Richland County	8,000	0	Grass Seeder
276a	Richland County	8,000	0	Morris M-10 Grass Seeder
276b	Richland County	8,000		J.D. 8300 Grass Drill
186	Rosebud	21,000	0	Drills
235	Rosebud	1,000	1,000	Cons Till Publ
163	Ruby Valley	10,900	10,900	Metal Masters Rangeland Drill
179	Ruby Valley	2,000	2,000	Trailer
238	Sheridan Co.	28,815	14,407	Versatile 2200
293	Sheridan Co.	18,000		J.D. 8000 Grass Drill
125	Wibaux	13,500	9,000	J.D. 8000
		$596,078	$275,959	

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
194	Flathead	630	630	Earth berm
110	Flathead	3,500	3,500	Flathead R bank stabilization
188	Lewis & Clark County	5,540	0	Ten Mile Cr demo
195	Lewis & Clark County	4,377	4,377	Streambank stabilization demo
107	Lincoln	2,830	2,500	Kootenai R delta removal
111	Lincoln County	13,000	13,000	Riverside Park riprap
133	Lincoln	500	500	Willow sprouts
154	Lincoln	600	600	Willow sprouts
296	Lincoln	10,000	10,000	Riprap Installation Project
241	Lower Musselshell	800	800	Streambank inventory
162	Meagher/Cascade	1,000	1,000	Smith River inventory
222	Petroleum County	41,250	15,000	Woodford Streambank Protec
112	Rosebud	7,470	0	Hathaway Rch str corridor mg
139	Stillwater	12,000	12,000	Itch-Kep-Pe Park riprap
228	Sweet Grass County	1,500	1,500	Otter Cr streambank inventory
201	Upper Musselshell	3,000	1,500	Musselshell air photo invent
		$313,798	$82,907	

005 - Erosion Control

284	Big Sandy	11,200	0	Windbreak Mgt Publication
199	Carter County	3,500	3,500	Tree planter
221	Deer Lodge Valley	18,371	16,000	Anaconda soil stabilization
231	Fergus County	2,375	2,375	Tree planter
218	Lewis & Clark County	7,500	7,500	Reseeding N. Hills burn
176	Petroleum County	3,000	3,500	Land use ordinance
149	Phillips County	2,986	2,986	Tree planter
248	Wibaux	2,875	2,875	Tree planter
		$51,807	$38,736	

006 - Water Districts, Water Management, Water Reservations, Irrigation Projects, etc.

168	Bitterroot	25,000	0	Daly ditch repair
214	Blaine County	13,120	0	Groundwater well network impr
214a	Blaine County	12,814	12,814	Groundwater well network impr
116	Broadwater/Jefferson/L&C/Meagh	29,500	0	Irrigation water management
230	Carbon County	8,500	0	Bridger cablegation
267	Carbon County	5,000	0	Ag Irrigation Grndwtr Invest
267a	Carbon County	5,000	0	Ag Irrigation Grndwtr Invest
276b	Carbon County	5,000	0	Ag Irrigation Grndwtr Invest
276c	Carbon County	5,000		Ag Irrigation & Urban Develop.
182	Chouteau County	22,827	13,820	Fresh water for Geraldine
206	Granite	7,329	7,329	Water reservation
160	Jefferson/Ruby/Park/Meagher/	29,500	0	SW MT irrig water mgt proj
200	Lincoln County	75,000	0	Therriault Cr siphon
177	Lower Yellowstone CDs Develop.	5,000	5,000	LYCDDC
202	Meagher County	10,000	7,000	Irrigation demo project
264	Phillips/Valley/Blaine	15,868	15,868	Water Sply Stdy in Milk R Bas
115	Pondera County	15,000	0	Vandenacre ditch concrete lng
141	Pondera County	556	556	Demo equip to irrigation ofc
158	Powder River	9,000	9,000	Legal fees-water reservation
09	Powder River	7,500	7,500	Water quality effects on irrg
120	Roosevelt County	5,400	5,400	Rural water district

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87
SB-155

JANUARY 1987 HB 223 PROGRAM ACTIVITY LISTED BY PROJECT

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
104	Rosebud	28,950	0	Irrigation water management
135	Sheridan County	35,000	35,000	NE MT groundwater study
102	Teton County	2,000	0	Teton coop Gambie Coulee
118	Teton County	24,874	0	Irrigation demo project
100	Teton/Cascade/Chouteau	150,000	50,000	Tri county water district
171	Treasure	$50,000	0	Low interest water mgt loans
283	Treasure	2,500	2,500	Surge irrigation demo & stud
190	Treasure	48,000	0	Irrigation water management
105	Treasure County	12,401	12,401	Increase irrig effeciency
		$665,639	$184,188	
007 - Technical Assistance				
108	Blaine County	24,532	12,266	Range tech assist
153	Blaine County	13,815	6,500	Range tech assist
159	Blaine County	7,315	2,000	Range tech assist
184	Blaine County	6,000	0	Gamma Attenuation probe
148	Carbon County	15,862	12,000	Engineer
180	Carbon County	4,500	4,500	Engineer
232	Carbon County	1,000	1,000	Engineer
246	Carbon County	9,200	3,500	Engineer
246a	Carbon County	5,000	0	Engineer
266	Carbon County	5,875	2,500	Engineering Tech.
266a	Carbon County	3,375	0	Engineering Tech
289	Deer Lodge Valley	2,000		Rodent Damage & Control Vi
123	Meagher County	2,000	0	Leveling instrument
277	Petroleum County	1,000	0	Surveying instrument
287	Roosevelt County	5,313	0	Soils Probe
258	Ruby Valley/Beaverhead	11,770	0	Cost share soil con
273	Ruby Valley/Beaverhead	16,033	0	Resource Conservation Program
273a	Ruby Valley/Beaverhead	16,033	10,000	Resource Conservation Program
101	Teton County	18,000	18,000	Muddy Cr Tech
155	Teton County	18,000	4,500	Muddy Cr Tech
172	Teton County	6,000	0	Muddy Cr admin funds
192	Teton County	7,464	4,964	Muddy Cr Tech & genrl tech
242	Teton County	12,215	3,500	Techn salary
165	Treasure	5,080	0	Tech assist-cons practices
124	Treasure County	5,800	5,800	Techn salary
274b	Valley County	14,182	14,182	Geodimeter electron survy inst
274a	Valley	18,070	0	Geodimeter electron survy inst
274	Valley	18,500	0	Geodimeter electron survy inst
		$273,934	$105,212	
008 - Administrative Funds				
131	Bitterroot	16,275	0	Computer
205	Bitterroot	1,650	0	Computer printer & software
245	Bitterroot	8,129	0	Computer equip & pocket gophe
147	Broadwater County	3,000	1,500	General operations
161	Deer Lodge Valley/North Powell	3,500	0	Computer
145	Eastern Sanders	1,000	1,000	General operations
149	Garfield County	1,000	0	General operations
150	Green Mountain	5,480	0	Administrative for 310
134	Judith Basin	1,500	1,000	General operations

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
114	Lewis & Clark County	5,500	5,500	Photocopier purchase
109	Liberty County	3,405	0	Ownership maps
122	Meagher County	1,200	0	Newsletter
233	Meagher County	2,000	2,000	Tech info bulletin
278	Phillips County	6,304	0	Computer equipment & software
278a	Phillips County	6,304	0	Computer equipment & software
278b	Phillips County	2,857		Computer equipment & software
281	Prairie County	2,000	1,743	Operating expenses
127	Ruby Valley/Jefferson Valley	3,500	0	Newsletter
128	Sweet Grass	7,700	7,700	Resource coordinator
157	Sweet Grass	11,300	0	Resource coordinator
169	Sweet Grass CD	7,000	2,000	General operations
103	Teton County	4,000	0	Administrative for 310
129	Toole County	5,500	0	General operations
130	Upper Musselshell	2,000	2,000	Field office maintenance
117	Valley County	3,500	1,500	General operations
		$115,604	$25,943	
009 - Education, Range Camps, etc.				
178	Dawson County	3,500	3,500	Range camp
211	Deer Lodge Valley	3,500	3,550	Range camp 85
239	Jefferson Valley	22,500	0	Computer software for schools
239a	Jefferson Valley	22,500	0	Computer software for schools
239b	Jefferson Valley	22,500	0	Computer software for schools
144	Judith Basin	3,000	3,000	Range camp
152	Liberty County	1,700	0	Oral history of conservation
260	Stillwater	10,000	10,000	Grazing simulators
262	Upper Musselshell	3,500	3,500	Range Camp 86
297	Valley County	3,500		Range Campo 87
		$96,200	$23,550	
010- Soil Survey/inventory				
279	Carter County	25,000	12,500	Soil survey
279a	Carter County	12,500	12,500	Soil survey
253	Deer Lodge Valley	12,500	12,500	Soil survey
253a	Deer Lodge Valley	12,500	12,500	Soil survey
189	Petroleum County	30,000	30,000	Soil survey
234	Petroleum County	30,000	10,000	Soil survey
234a	Petroleum County	12,500	12,500	Soil survey
164	Sheridan County	19,750	0	Potentials of MT soils
292	Teton County	25,000	12,500	Soil survey
		$179,750	$115,000	
011 - Water Quality Study				
113	Green Mountain	2,778	0	Co. water quality survey
012 - Pasture Reclamation & Management				
196	Deer Lodge Valley	19,073	18,216	Rclmn of hvy metl cntm pastr
126	Ruby Valley	1,128	1,128	Dick Todd field trial
		$20,201	$19,344	
013 - Forest Management				
156	Madison	$2,500	$2,500	Private land forestry mgt

SENATE TAXATION
EXHIBIT NO. 8
DATE 1-29-87

JANUARY 1987 HB 223 PROGRAM ACTIVITY LISTED BY PROJECT

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
014 - Game Management				
204	Green Mountain	$25,000	0	Electric fence
015 - Farmlands Protection				
227	Lewis & Clark County	$15,000	0	Farmlands protection
227a	Lewis & Clark County	$15,000	0	Farmlands protection
227b	Lewis & Clark County	$15,000	$15,000	Farmlands protection
		$45,000	$15,000	

TESTIMONY ON SB 155
SENATE TAXATION COMMITTEE
JAN. 29, 1987

presented by
THE MONTANA CULTURAL ADVOCACY

Mr. Chairman, members of the committee: I am Brenda Schye, and I represent the Montana Cultural Advocacy, which is a broad cross-section of citizens who are committed to the development of our state's cultural resources. As the Chamber of Commerce will call your attention to the importance of the business climate, we call your attention to the equally important "cultural climate", which is what determines whether we live above the level of robots.

The existing statutes regarding the disposition of coal severance tax revenues allocate 1/2 of 1% to libraries, and 2 1/2% to a nonexpendable trust, the interest of which is divided between parks acquisition and cultural and aesthetic projects. According the the fiscal note on SB 155, this would mean an impact of about $600,000 for libraries. What the fiscal note does not show you, however, is that it would also mean the loss of more than $1,000,000 that currently funds cultural projects across the state.

We have testified to this committee on this same issue in a previous session, and our stance is still the same, so my comments may sound familiar.

I believe it is when fiscal situations are relatively good that we are able to make the most judicious decisions about how to plan for the future. This is true for individuals, for families, and for elected officials. That is when we are most likely to decide, for instance, that we will opt for an automatic payroll deduction that goes into an account for our children's college fund, or for the home we hope to buy someday. We make such decisions because we know that if our entire paycheck is deposited into our checking account, we will be tempted to utilize all of it now. Under such circumstances, things that seem important for the present will usually take precedence over something that is equally if not more important for the future, or our long-range plans.

There is an analogy between money invested in savings and money invested in cultural programs. They are both investments in the future. They are always a temptation to neglect. Yet to do so would be shortsighted.

While the sponsor may have good intentions that all of these things would be funded from the general fund, I would be equally reassured by promises that Santa Claus will fund them. Putting all of this coal tax revenue into the general fund is comparable to an individual depositing their entire paycheck into their checking account. In your personal finances, I doubt that you do that. As a legislator, the same rationale should apply.

SENATE TAXATION
EXHIBIT NO. 9
DATE 1-29-87
BILL NO. SB-155

The earmarking of funds for cultural ~~needs~~ purposes, such as libraries, historic, and artistic projects, is a responsible way of ensuring that we do not neglect those things which are important for the quality of life in this state, both present and future.

We urge that you give this bill a "do not pass" recommendation.

SENATE TAXATION
EXHIBIT NO. 9
DATE 1-29-87
BILL NO. SB-155

Senator Crippen said he would probably tend to agree with him more than not. The testimony was enough to convince him that by doing this we will cause a lot of unnecessary headaches and probably put a lot of small mines out of business. He thinks we should not do that.

Senator Severson said if they are high-grading their gems what is this bill going to do. How will you stop somebody from high-grading the gems.

Senator Eck asked Greg Groepper how they would determine the value of the gravel sold.

Greg Groepper said he thinks what they had in mind with this bill was not to get at the person who sold a bucket of gravel, but to get at the company that did the commercial mining. In looking at a bucket of gravel you are looking at the taxable product that you sell, less the expense.

Senator Eck said then you would not consider that as a sale of sapphires.

Greg Groepper said that is not a sale of sapphires, that is a different kind of mine. If you are mining gravel and selling gravel that is one thing. His understanding is that is not the intent of this bill. The intent is to get the larger companies coming in who extract valuable materials.

Senator Lybeck's motion that SB 45 DO PASS failed with a vote of 10-2, with Senator Halligan and Senator Lybeck in favor of this motion. The committee voted to reverse the vote. SB 45 went out on a DO NOT PASS with Senator Halligan and Senator Lybeck opposed.

DISPOSITION OF SB 155: Senator Halligan made a motion that SB 155 DO NOT PASS. The motion carried with Senator McCallum opposed.

DISPOSITION OF SJR 7: Senator Neuman questioned whether there is a demand for this resolution as the Department of Revenue is doing this now.

Senator Eck said this resolution was in the nature of urging them to do that. She does not think that the resolution is necessary but thinks a letter urging them to move in that direction is in order.

STANDING COMMITTEE REPORT

February 2, 19 37

MR. PRESIDENT

We, your committee on SENATE TAXATION

having had under consideration SENATE BILL No. 155

first reading copy (white color)

ALLOCATING TO THE GENERAL FUND COAL TAX LEFT AFTER TRUST HIGHWAY DEPOSITS

Respectfully report as follows: That SENATE BILL No. 155

~~DO PASS~~

DO NOT PASS

SENATOR GEORGE McCALLUM, Chairman.